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OMB Number:	3235-0123
Expires:	October 31, 2004
Estimated average burden hours per response.....	12.00

**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

SEC FILE NUMBER
8-31336

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/02 AND ENDING 12/31/02
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: FINANCIAL DESIGNS CORPORATION

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

OFFICIAL USE ONLY

FIRM I.D. NO.

7220 ROSEMEAD BLVD., #206

(No. and Street)

SAN GABRIEL

(City)

CA

(State)

91775-1398

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

RONALD A. BILECKI

(626) 285-0178

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

GRIFFITH, PETER SCOTT

(Name - if individual, state last, first, middle name)

41 E. FOOTHILL BLVD., #204

(Address)

ARCADIA

(City)

CA

(State)

91006

(Zip Code)

CHECK ONE:

☒ Certified Public Accountant

☐ Public Accountant

☐ Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

PROCESSED
MAR 13 2003
**THOMSON
FINANCIAL**

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

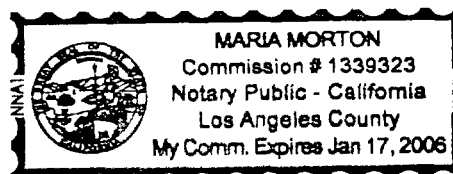
OATH OR AFFIRMATION

I, SEAN P. BILECKI, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of FINANCIAL DESIGNS CORPORATION, as of DECEMBER 31, 2002, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:


Signature

V.P., CHIEF FINANCIAL OFFICER
Title


Notary Public



This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☒ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

****For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).**

PETER S. GRIFFITH
CERTIFIED PUBLIC ACCOUNTANT
41 E. FOOTHILL BLVD. SUITE 204
ARCADIA, CA 91006
Phone (626) 447-5550
Fax (626) 447-1223
e-mail: pete@petersgriffithcpa.com

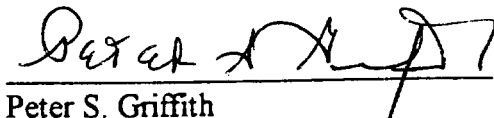
INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Financial Designs Corporation

I have audited the accompanying Balance Sheet of Financial Designs Corporation as of December 31, 2002, and the related Profit & Loss Statement, Retained Earnings, and Cash Flows and the Statement of Changes in Stockholder's Equity for the year then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, in a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Financial Designs Corporation as of December 31, 2002 and the results of its operations and its cash flow for the year then ended in conformity with generally accepted accounting principles.


Peter S. Griffith
Certified Public Accountant

February 2, 2003

9:07 AM

02/02/03

Accrual Basis

Financial Designs Corporation

Balance Sheet

As of December 31, 2002

	Dec 31, 02
ASSETS	
Current Assets	
Checking/Savings	
Cash	94,000.35
Fidelity Money Market	8,878.74
Franklin Money Fund	555.83
Total Checking/Savings	103,434.92
Other Current Assets	
Bender Funds	4,689.09
Commissions Receivable	262.50
Employee Loan	679.28
Larkin Account	31,374.19
Officer Loan	60,000.00
Prepaid Taxes Based on Income	
Federal	968.00
Total Prepaid Taxes Based on Income	968.00
Total Other Current Assets	97,973.06
Total Current Assets	201,407.98
Fixed Assets	
Accumulated Depreciation	-97,367.00
Air Conditioner	2,707.00
Chairs	5,205.33
Computer	58,085.34
Copier & Stand	3,548.00
File Cabinets	13,106.00
Office Equipment	12,965.00
Paper Shredder	1,507.00
Security System	3,420.00
Telephone Equipment	4,936.00
Xerox Copier	6,111.00
Total Fixed Assets	14,223.67
TOTAL ASSETS	215,631.65
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Clearing Charges	330.00
Commissions Payable	25.00
Employee Bonuses	15,498.00
Miscellaneous Liabilities	3,000.00
Total Other Current Liabilities	18,853.00
Total Current Liabilities	18,853.00
Total Liabilities	18,853.00
Equity	
Common Stock	3,000.00
Retained Earnings	196,503.41
Unrealized Capital Losses	-5,356.34
Net Income	2,631.58
Total Equity	196,778.65
TOTAL LIABILITIES & EQUITY	215,631.65

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02/02/03

Accrual Basis

Financial Designs Corporation

Profit & Loss

January through December 2002

	Jan - Dec 02
Ordinary Income/Expense	
Income	
Commission Income	24,501.24
Fees & Reimbursements	864,672.78
Interest & Dividends	7,465.54
SPDA Annuity Commission	231,422.90
Tax Preparation	21,880.00
Trail Commissions	56,758.90
Total Income	1,206,701.36
Expense	
Advertising	1,139.28
Asset Allocation Fees	4,400.00
Bonuses	32,394.00
Clearing Charges Fees	5,027.78
Commissions	30,454.65
Consulting	350.00
Decrease - CSVf Life Insurance	1,530.57
Depreciation	5,811.00
Employment Taxes	41,557.40
Error Account Fees	391.00
Fees	3,460.72
Insurance	11,219.62
Lease - Equipment	79,584.00
Lease - Office	49,231.58
Life Insurance Premiums	0.00
Marketing	3,000.00
Medical Insurance	15,758.49
Medical Reimbursement	14,422.29
Office Supplies & Expense	62,855.89
Regulatory Fees	1,918.00
Retainer Fees & Costs	1,078.00
RIA Fees	1,036.80
Salaries	
Officer	479,000.00
Other	325,900.11
Total Salaries	804,900.11
Seminars	8,797.14
Tax & Accounting Fees	4,893.00
Tax Processing	5,887.50
Telephone & Utilities	11,638.96
Total Expense	1,202,737.78
Net Ordinary Income	3,963.58
Other Income/Expense	
Other Income	
Proceeds on Life Insurance	0.00
Total Other Income	0.00
Other Expense	
Miscellaneous	0.00
Provision for Income Taxes	
Federal	532.00
State	800.00
Total Provision for Income Taxes	1,332.00
Unrealized Losses	0.00
Total Other Expense	1,332.00
Net Other Income	-1,332.00
Net Income	2,631.58

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02/02/03

Financial Designs Corporation
Statement of Cash Flows
 January through December 2002

	<u>Jan - Dec 02</u>
OPERATING ACTIVITIES	
Net Income	2,631.58
Adjustments to reconcile Net Income to net cash provided by operations:	
Bender Funds	2,629.34
Commissions Receivable	-47.50
Employee Loan	5,308.86
Larkin Account	3,054.33
Life Insurance Cash Value	9,756.86
Prepaid Taxes Based on Income:Federal	-968.00
Prepaid Taxes Based on Income:State	800.00
Clearing Charges	-420.00
Commissions Payable	25.00
Dividend Payable	-500.00
Employee Bonuses	15,498.00
Error Account	-28.05
Income Taxes:Federal	-896.00
Miscellaneous Liabilities	3,000.00
Net cash provided by Operating Activities	39,844.42
INVESTING ACTIVITIES	
Accumulated Depreciation	5,811.00
Chairs	-5,205.33
Computer	-1,362.49
Net cash provided by Investing Activities	-756.82
FINANCING ACTIVITIES	
Dividend	500.00
Retained Earnings	-500.00
Unrealized Capital Losses	-5,356.34
Net cash provided by Financing Activities	-5,356.34
Net cash increase for period	33,731.26
Cash at beginning of period	69,703.66
Cash at end of period	<u>103,434.92</u>

FINANCIAL DESIGNS CORPORATION
STATEMENT OF RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 2002

Retained Earnings, December 31, 2001	\$	196,503
Net Income 2002	\$	2,632
Unrealized Capital Losses	\$	<u>(5,356)</u>
Retained Earnings, December 31, 2002	\$	193,779

FINANCIAL DESIGNS CORPORATION

STATEMENT OF CHANGES IN STOCKHOLDERS EQUITY

December 31, 2002

Stockholders Equity

Common Stock

\$ 3,000

Retained Earnings

\$ 196,503

Total Stockholders' Equity (12/31/01)

\$ 199,503

Stockholders' Equity

Common Stock

\$ 3,000

Retained Earnings

\$ 193,779

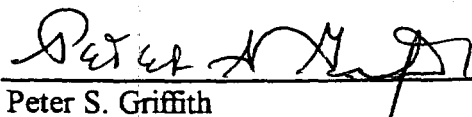
Total Stockholders' Equity (12/31/02)

\$ 196,779

CHANGE IN STOCKHOLDERS' EQUITY

\$ (2,724)

I have examined the financial statements of Financial Designs Corporation as of December 31, 2002, and determined that the above information is correct.



Peter S. Griffith

Certified Public Accountant

PETER S. GRIFFITH
CERTIFIED PUBLIC ACCOUNTANT
41 E. FOOTHILL BLVD. SUITE 204
ARCADIA, CA 91006
Phone (626) 447-5550
Fax (626) 447-1223
e-mail: pete@petersgriffithcpa.com

FINANCIAL DESIGNS CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002

1. Principles of Accounting

The financial statement of Financial Designs Corporation are prepared in the accrual basis of accounting. No material inadequacies have been found to exist.

2. Income Taxes

The corporation provides for income taxes utilizing the accrual method of accounting.

3. Common Stock

Shares Authorized:	10,000
Issued & Outstanding:	1,000
Par Value:	\$3,000

4. Equipment

The company depreciated its fixed assets for financial accounting purposes on the straight line method.

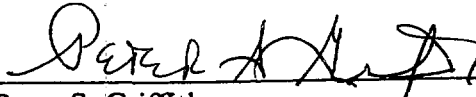
See accompanying accountant's report.

PETER S. GRIFFITH
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To: Securities and Exchange Commission
NASD, Inc.

Enclosed is a computation of Net Capital under SEC Rule 15c 3-1. In my annual audited report (Form x-17a-5) for fiscal year ending December 31, 2002, I found no major differences between my computation of net capital and Financial Designs Corporations' computation of net capital as determined on the Focus 2A report filed for fiscal year ending December 31, 2002.

Very best regards,


Peter S. Griffith
Certified Public Accountant

FINANCIAL DESIGNS CORPORATION

COMPUTATION OF NET CAPITAL

December 31, 2002

Computation of Net Capital (12/31/02)

Ownership equity per audit	\$	196,779
Modifications		
Net fixed assets		(14,224)
Prepaid Income Taxes		<u>(968)</u>

Ownership equity per Focus IIA	\$	181,587
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Nonallowable assets		
Officer loan	\$	60,000
Employee loan		679
		<u>(60,679)</u>

Net capital before haircuts on securities positions	\$	120,908
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Haircuts

Pilgrim Prime Rate $\$30,805 \times 15\% =$	\$	4,621
Emmett Larkin MM $\$319 \times 2\% =$		6
Franklin Money Fund $\$556 \times 2\% =$		11
Fidelity Prime Fund $\$8,879 \times 2\% =$		178
Bender Growth Fund $\$4,689 \times 15\% =$		703
		<u>(5,519)</u>

Net Capital	\$	<u>115,389</u>
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COMPUTATION OF BASIS NET CAPITAL EQUIPMENT

Minimum net capital requirement	\$	50,000
Excess net capital	\$	65,389
Excess net capital at 1000%	\$	113,503
Total A.I. Liabilities from Statement of Financial Condition	\$	18,853
Total aggregate indebtedness	\$	18,853
Percentage of aggregate indebtedness to net capital		16%
Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d)		0%

There are no material differences in this computation and the unaudited Focus IIA report.

PETER S. GRIFFITH

CERTIFIED PUBLIC ACCOUNTANT
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FINANCIAL DESIGNS CORPORATION
Report Regarding Material Inadequacies

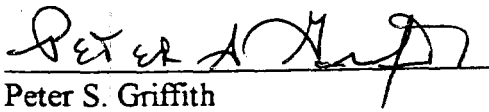
I have examined the financial statements of Financial Designs Corporation as of December 31, 2002. My Accountants Report was dated February 2, 2003.

Pursuant to Rule 17a-5(d)(i), no material inadequacies were found to exist since my last audit of February 25, 2002.

My audit was made in accordance with generally accepted auditing standards and included a review of the books, records, accounting systems, bank statements, mutual fund statements, general ledger, blotter, products sales ledger, internal accounting controls, and procedures for safeguarding securities. I reviewed the Statement of Financial Position, the Statement of Operations, the Statement of Cash Flow, the Statement of Changes in Stockholders' Equity, the Computation of Net Capital. The scope of the audit and review of the accounting system were sufficient to provide reasonable assurance that any material inadequacies existing at the date of the examination would be disclosed.

In addition, the audit included reviews of the practices and procedures followed by the client:

1. in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11) and the reserve required by Rule 15c3-3(e);
2. in filing the various Focus Reports;
3. in monitoring insider trading and suspicious trades.


Peter S. Griffith
Certified Public Accountant

PETER S. GRIFFITH

CERTIFIED PUBLIC ACCOUNTANT

41 E. FOOTHILL BLVD. SUITE 204

ARCADIA, CA 91006

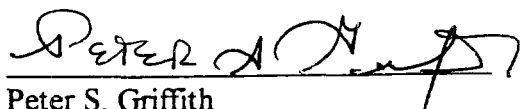
Phone (626) 447-5550

Fax (626) 447-1223

e-mail: pete@petersgriffithcpa.com

I have examined the financial statements of Financial Designs Corporation as of December 31, 2002. My Accountants Report was dated February 2, 2003.

Pursuant to Rule 17a-5 (d) (i), no material inadequacies were found to exist since my last audit of February 25, 2002.

A handwritten signature in black ink, appearing to read "Peter S. Griffith", with a stylized flourish at the end.

Peter S. Griffith
Certified Public Accountant

